2011 Public Law Chapter 90 Implementation

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Discussion Topics

- Maine Guaranteed Access Reinsurance Association
- Rule Chapter 850
- Rule Chapter 940
- Medical Loss Ratio (MLR)
- Rate Review Compliance with Affordable Care Act Standards
- Small Group Health Insurance Renewals
- Captive Insurers
- Future Implementation Issues

Maine Guaranteed Access Reinsurance Association (MGARA)

- Provides reinsurance in the individual market;
- Board established (December 1, 2011)
 (Attachment 1)

Maine Guaranteed Access Reinsurance Association (MGARA)

- Additional Documents for Review in the Binder:
 - An analysis of compatibility between MGARA and Federal Transitional Reinsurance Program (Attachment 2)
 - Federal HHS Proposed Rule (Attachment 3)
 - Superintendent's Comment Letter to Secretary Sebelius (Attachment 4)

Maine Guaranteed Access Reinsurance Association (MGARA)

Questions



Impact of Public Law Chapter 90 on Rule 850

- Rulemaking Process to Date;
- Requires changes to existing network standards;
- Requires changes to appeals and grievances procedures.

Rule Chapter 850 (Rulemaking Process)

- Interested persons meeting August 5, 2011;
- Public hearing December 20, 2011;
 - Comment period closed January 6, 2012;
 - Bureau currently reviewing the comments and drafting the Provisional Rule;
- IFS will review Rule 850 because it is major substantive Rule.

Rule Chapter 850 (Continued) (Network)

- Rule 850 implements changes to network adequacy standards using National Committee for Quality Assurance (NCQA) standards.
- National Committee for Quality Assurance (NCQA) overview is included in the binder as attachment 5.

Rule Chapter 850 (Continued) (Network)

 The proposed amendment to the rule retains the requirement that carriers without adequate provider networks ensure that covered persons obtain the benefit at no greater cost to the covered persons than if the benefit were obtained through the network or shall make other alternative arrangements acceptable to the Superintendent.

Rule Chapter 850 (Continued) (Appeals and Grievances)

- Changes to definitions and procedures were made to comply with the Affordable Care Act (ACA)
 (exempts grandfathered plans);
- Modified section 8 to apply to medical appeals;
- Modified section 9 to apply to non-medical appeals;

Rule 850



Rule Chapter 940

- This rule establishes procedures and guidelines for filing individual and small group health insurance rates and all health maintenance organization (HMO) rates in this State.
- The rule informs those filing health insurance rates of the types of data required to permit the Bureau to appropriately review the filings submitted and to provide meaningful rate information to the public.

Rule Chapter 940

- This rule establishes procedures for annual reporting of medical loss ratios (MLR);
- The rule establishes payment of rebates in accordance with ACA and Maine law.

Rule 940 Medical Loss Ratio (MLR)

- ACA requires minimum medical loss ratios
 - 80% minimum medical loss ratio in individual and small group market,
 - 85% minimum medical loss ratio in large group market
- Maine received approval of a waiver of federal 80% medical loss ratio standard in individual market until 2013 with one further conditional year.

(Attachment 6)

Rate Review Compliance with Affordable Care Act Standards

- Letters from Health and Human Services
 - Small group and individual market adequate (Attachment 7)
 - Association group adequate (Attachment 8)

Small Group Health Insurance Renewals

- Geographic rate adjustments can be made without the previous limit on combined adjustments for age and area;
- Overall we have noted more rate decreases than in the prior year, but there are geographic differences in the rates.

(Attachment 9)

Rule 940



Captive Insurers

- Insures risks of members only;
- Maine Wellness Association licensed on July 18, 2011
- First health insurance captive insurer in the USA;

Future Implementation Issues

- Certification of regional insurers to transact individual health insurance in 2014;
- Establish a ACA-compliant Risk Adjustment Program;
- Federally established Risk Corridor program.